

ABSTRACT OF THE DISCLOSURE

A method of pricing a commodity involving selecting a predetermined market factor, determining at a first time period a first market condition, and providing a formula capable of comparing a predetermined market factor to a market condition to determine the existence of a favorable pricing condition. The method prices a first portion of the commodity when the application of the formula to the predetermined market factor and the first market condition indicates the existence of a first favorable pricing condition. The method prices a second portion of the commodity when the application of the formula to the predetermined market factor and a second market condition indicates the existence of a second favorable pricing condition.